

1. *CONSOLIDATED PLAN NARRATIVE STATEMENTS*

A. Assessment of Three to Five Year Goals and Objectives

In 2002 the City received \$1,086,000 in CDBG funds. The primary objectives of the CDBG Program are to assist low and moderate-income people, to eliminate slum and blight, and to address urgent community needs. The Housing and Neighborhood Development Department (HAND) is the city department responsible for the administration of the CDBG and HOME programs. The Department funds and administers a variety of programs, including owner-occupied housing rehabilitation, acquisition and disposition of property, physical and site improvements, social service funding and historic preservation.

The City received \$694,000 in HOME funds in 2002. HOME projects include such activities as tenant-based rental assistance, assistance to first-time homebuyers, new construction, reconstruction, or rehabilitation of housing, and other related activities.

One of the housing priority needs identified in the Consolidated Plan was more permanently affordable housing for low to very-low income persons. One of the barriers to homeownership has been the lack of down payment assistance. The department provides, through a third party grantee, down payment and closing cost assistance for income eligible persons who are first-time homebuyers. Educational assistance in home buying, budgeting, credit counseling and homeownership is also provided. During this past program year, forty four households received homeownership education. To those forty four, \$24,000 was awarded in down payment and closing costs. The department has also implemented its own home ownership educational classes with funding from a HUD housing counseling grant. The Homebuyer's Club is an eight-week class geared toward 1st time homebuyers. Classes are offered in budgeting, credit counseling, how to secure a mortgage, and what to look for in a house. At the end of the class, participants are eligible for down payment and closing cost assistance. This year we increased the number of classes we offer from one per year to 2 per year.

Correcting physical housing defects, removal of architectural barriers for the physically impaired and stabilization of the city's older housing stock through rehabilitation assistance are all objectives under the City's Consolidated Plan. The Housing and Neighborhood Development Department offers rehabilitation assistance for homeowners for emergency repairs, home modifications for a disability, and for major home rehabilitation.

The Owner Occupied Rehabilitation Loan program provides assistance either in the form of a direct or deferred loan. For very low-income homeowners the entire rehabilitation loan is deferred and paid back when the home is no longer the principal residence of the homeowner. The direct loan program requires the eligible homeowner to make monthly payments on a no interest loan. This repayment plan is based on an amortization of the loan over twenty years. Both programs provide funding up to \$38,500 to assist eligible homeowners in rehabilitation of their homes as defined under the program provisions. These provisions include energy efficiency, accessibility, and/or adaptability, the elimination of health, safety and housing code violations, lead based paint hazards and, if money allows, additional improvements as requested by the homeowner. An additional \$7,500 is available, as a forgivable loan, to homeowners who would need exterior repairs or historic façade work completed. The Rehabilitation Loan program provides an effective rehab, while considering the budget of the homeowner.

During the program year, the Department provided assistance to three participants under the owner occupied rehabilitation program. All were deferred loans. The total amount of the homeowner loans was \$106,775.

The Emergency Home Repair Program provides immediate assistance to eligible homeowners for such repairs as new roofs and furnaces, minor wiring and plumbing and other life threatening repairs. Nineteen clients received emergency repair assistance in the form of a grant. During 2002, \$53,682 was spent with an average per client of \$2,825. For 2002 we had projected that we would serve 15 households under this program. We have experienced great success with this program.

The HAND Department, in partnership with Abilities Unlimited, provides grants to income eligible homeowners with disabilities through the Home Modification for Accessible Living (HMAL) program. This grant provides up to \$7,500 for modifications to a house that in turn accommodates the homeowner's disability. For 2002 the HMAL program provided assistance to 15 eligible households. The total funding provided for 2002 was \$80,490 for a client average of \$5,366. We had projected for 2002 expenditures to be \$100,000. Abilities had projected to assist 35 families or nonprofits.

The Department continues to operate a rental rehabilitation program funded with the HOME Investment Partnership Grant. This program offers a fifty/fifty match of funds to the property owner for the rehabilitation of a rental unit. A ceiling of eighty percent of the after-rehabilitation value of the property determines the limit of funding for new construction. HUD mandates a specific affordability period as rent controlled. As an incentive to maintain affordability for a greater period of time for rehabbed units, the owner/developer may choose to extend the affordability period and have the loan forgiven. As an example, a project that has \$15,000 or less per unit rehabilitation cost has a program commitment of five years of affordability. To extend that affordability period, the program allows the owner to duplicate the affordability period and having the loan forgiven over the next succeeding five years. Funding was provided to rehab two rental units at a subsidy of \$27,858. This program needs greater outreach from the department to local landlords. We will work on this in 2003.

Using HOME resources, the Department funds the Tenant Based Rental Assistance (T.B.R.A) program. This program, started in 1992 in conjunction with the local housing authority, provides applicants on the Section 8 waiting list rental assistance until they are served under the Section 8 program. This program is currently assisting fourteen tenants. This program year \$100,621 was expended. We had projected 15 clients served for 2002 in this program.

Through its partnerships with local not-for-profit housing providers, the department increased the amount of affordable low-cost housing. This year we partnered with Bloomington Restorations, Inc (BRI) and South Central Community Action Program (CAP). BRI was awarded \$76,673 to purchase and rehab three historical properties and then resell them to income eligible families or individuals. CAP has spent the first part of \$55,000 to construct a new 3 bedroom house that will be resold to an income eligible family. A current offer to purchase has been made by a family that went through our Home Buyers Club.

This year the department funded \$297,000 to construct new rental housing. 11 fully handicapped accessible housing units were constructed. 3 of these units must be rented to individuals with incomes not to exceed 50% AMI and the rents shall not exceed the very low rent rates established by HUD. The remaining eight units shall be rented for the first year to tenants whose income is 60% or less of AMI and those units shall be rented at rates that do not exceed HUD's low rent rates. After the first year the eight units may be rented to tenants whose income does not exceed 80% AMI and the rent rates for those units shall not exceed high Home

rent rates. Preference for units in the project must be given to elderly or handicapped persons. These units must remain affordable for 20 years.

For 2002 we had budgeted \$220,000 for multi/single family construction and we consider this a successful initiative to improve our program.

Under non-housing community development needs, the department continued to provide assistance to improve public infrastructure in low-to-moderate income neighborhoods, assist social service agencies which serve low-to-moderate income persons and provide support services in the areas of food, shelter, health, and childcare. A total of \$154,152 was expended for social service programs and \$475,000 for community development projects this past program year.

Three physical improvement projects were designed in 2002 and we expect construction to start in the near future. They included the South Rogers Sidewalk Project, 4th and Jackson Sidewalk Renovation and Country Club Sidepath Project. Under the Curb and Sidewalk Program, approximately 4,600 linear feet of curb and sidewalk was installed with expenditures of \$42,160.

Three not-for-profit agencies were also assisted with facility improvements. Bloomington Restorations, Inc., a local CHDO, expended funds to make their facility accessible to persons with disabilities and remodeled an existing bathroom to make it accessible. Monroe County United Ministries, which operates a daycare facility and offers emergency services to households in need, expended funds to replace existing exterior doors to come in compliance with current fire codes and State Health Department regulations. The Bloomington Housing Authority, our local PHA, expended funds to install hard wired smoke detectors and GFCI outlets in 56 units. One project, Shelter Lead Paint Project at Campbell House, was cancelled since the agency has decided to dissolve. The funds allocated for Shelter's project were reallocated for PY 2003.

These activities are in line with the objectives outlined in the Priority of Non-Housing Development Needs of the Consolidated Plan. In our consolidated plan we estimated that we would install 20,000 feet of curb and sidewalk, we are nearly averaging 5,000 feet per year. This is right on target with the plan.

B. Affirmatively Furthering Fair Housing

Impediments identified in the City's Analysis of Impediments to Fair Housing included inadequate housing for the physically disabled and lack of knowledge of the Fair Housing Act by members of the general public who are covered under the act. This year the department, in partnership with a private developer, constructed 11 new rental units that are fully handicapped accessible. These units must remain affordable for 20 years.

Overcoming the effects of inadequate housing for the physically disabled is addressed by providing incentives in the form of reduced building permit fees, CDBG and HOME funding for home modifications and the construction of accessible housing units, and wastewater hook-on fee waivers. This year we completed fifteen rehabs that were solely under our Home Modification for Accessible Living. This program removes barriers for individuals with handicaps so they may stay in their home longer.

The department continues to make available its Fair Housing pamphlet, which provides information on the families' rights under the Fair Housing Act. This pamphlet is distributed to local housing providers within the community.

C. Affordable Housing

The City continues its commitment to provide programs that increase the amount of affordable housing within the community for extremely low, low, and moderate-income renters and owner-occupied households. Several programs are administered by the City's Housing and Neighborhood Development (HAND) or through subrecipients. The Emergency Home Repair program provides assistance to households to address "worst-case needs" of life, safety and structural integrity so homeowners can remain in their homes. Nineteen households were actually served. The Home Modification for Accessible Living (HMAL) Program provided assistance to fifteen homeowners with disabilities. This assistance allowed these people to remain in their homes. Funding through the HOME program provided tenant based rental assistance to Section 8 tenants who are on the Public Housing Authority waiting list for Section 8 housing. Fourteen tenants were served. The City also continues its programs of rental, as well as owner-occupied housing rehabilitation utilizing both CDBG and HOME funds. Two rental rehab projects were completed this last year. This year we also partnered with a private developer to construct 11 new fully handicapped accessible rental units that will remain affordable for twenty years.

The department works with local housing not-for-profit organizations that are dedicated to providing affordable housing for low and moderate-income households. HOME CHDO funds were awarded to one local housing organization to build new affordable housing. South Central Community Action Program received CHDO funding to build one new single family home on West 8th Street. Bloomington Restorations, Inc. (BRI), a local not-for-profit housing developer received funding to purchase and restore three houses in order to preserve the existing housing stock within the community. All of the homes will be rehabbed and sold to first time homebuyers and must remain affordable for 15 years.

The department also worked with a private developer to construct a new 3 bedroom house that was sold to a single woman whose income was slightly less than 70% AMI.

D. Continuum of Care Narrative

The City of Bloomington has had a Continuum of Care strategy in place since 1993. At that time, key representatives from various housing agencies met to discuss and assess the community needs and make recommendations regarding which agencies are better able to address the identified needs.

The City continues to work with and provide funding to social service agencies, within the community, that provide affordable housing to address the needs of homeless persons and the special needs of persons who are not homeless but require supportive housing. Shelter, Inc., a local homeless shelter, provided housing to 324 homeless persons, and Middle Way House, an emergency shelter for battered women and their children, provided housing for 285 women and their children. Amethyst House facilities housed individuals with substance dependencies. The Women's program provided housing to thirty women and their dependent children.

The City has historically funded under CDBG and Council Social Service Grants, a program to help homeless persons and families make the transition to more permanent housing. As with many other homeless sheltering programs around the State of Indiana, Shelter, Inc. has closed its doors. The City is working with a committee made up of township trustees, United Way, social service providers, and county government representatives to work toward creating an organization to provide emergency housing. The adult emergency shelter has remained open under a cooperative agreement with the Community Kitchen of Monroe County, which is a soup kitchen and located next door to the adult emergency shelter. Other social service

providers such as the Salvation Army have stepped in to assist with the housing of homeless families.

While the main homeless service provider has closed, the City remains committed to these types of services. The Shalom Community Center provides a place where homeless individuals and families can go for assistance. They provide both breakfast and lunch, as well as access to many social service or governmental service providers such as Veteran's Affairs, Community Action Program, Social Security, and Indiana Legal Services.

The Housing Network is the body responsible for evaluating and making changes to the Continuum of Care strategy. The Housing Network is a committee which includes housing practitioners from throughout the community who come together once a month to support one another and share information about housing goals and programs. The Housing Network has an open membership policy and actively seeks community input. Membership includes representatives of city government, Middle Way House, Evergreen Institute, Habitat for Humanity, Center for Behavioral Health, Bloomington Public Housing Authority, South Central Community Action Program, Area 10 Agency on Aging, Monroe County Housing Solutions, and Shelter, Inc. The Network is partnering with Habitat for Humanity to work on the 21st Century Challenge initiative. The goal of the 21st Century Challenge is to eliminate substandard and dilapidated housing within the county by a certain date. The initial survey of houses that meet the substandard category has been completed.

E. Other Actions indicated in the Strategic and Action Plans

Below are other programs operated by the department to foster and maintain affordable housing, eliminate barriers to affordable housing, address obstacles to meeting underserved needs, overcome gaps in institutional structures and enhance coordination, improve public housing and resident initiatives, reduce lead based paint hazards, reduce the number of persons living below the poverty level, and ensure compliance with program and comprehensive planning requirements.

1. *Lead Base Paint* – The department continues its lead-based paint abatement whenever it rehabilitates any housing units. The local Public Health Nursing Association, which receives CDBG funding, has an active program, which screens for lead poisoning and does educational and marketing programs for the public about the dangers of lead-based paint. Effective September 15, 2000, HUD issued new lead based paint regulations. The regulations require that all housing built prior to 1978 be free of any visible lead-based paint hazards. A visual assessment is required of all units, and if deteriorated paint surfaces are noticed, a risk assessment is completed. Based on the level of deterioration, stabilization of the surface or full abatement is required. Clearance testing is required to make sure all lead surfaces have been properly secured/abated. The department has been actively involved in conducting training or recommending training for lead supervisors, workers, and contractors to meet the gap of qualified personnel for its rehab work. The department has also developed local procedures for contractors and subrecipients to follow in assessing properties, and abating those found with lead paint.

2. *Community Land Trust* – The development of the second community land trust is in process. The first community land trust, called Autumn View, a low/moderate income development located off Rockport Road, has been completed and sold out. The development consisted of 29 single-family owner-occupied homes. The second land trust development is located south of Autumn View and is called Winterwood. Winterwood will consist of 18 single-family homes for first time homebuyers using CDBG and HOME CHDO funds. Nine lots were purchased in 1998 and nine more lots in 1999. Additional CHDO and CDBG funds have been allocated to assist in the construction of the units and to provide down payment and closing cost assistance. The homeowner owns the structure and leases the land from the Land Trust under a 99-year lease.

The Land Trust is managed by Housing Solutions, a local not-for-profit organization. To date, fourteen homes have been built.

3. *Local Public Housing Authority* – The Housing and Neighborhood Development Department continues to foster a cooperative and working relationship with the local PHA. In 2002, the PHA was awarded funding to install smoke detectors and GFCIs. The department, through its Neighborhood Development Division continues to work with the PHA's local tenant association in helping them to strengthen as an association and develop ways to work cooperatively with the PHA.

4. *Neighborhood Improvement Grant Program* – Working in conjunction with neighborhood associations, funding is provided to address neighborhood improvement projects. Funding can be utilized to complete small-scale drainage improvements, street lighting, painting projects, etc. This past year \$42,425 was awarded. Projects consisted of the replacement of historic sidewalks, 4 bus stop benches, and a neighborhood sign.

5. *Rental Inspection Program* – The Rental Inspection Program requires that all residential rental units within the corporate limits of the city be inspected for compliance with the Bloomington Property Maintenance Code. This helps to assure that the rental housing stock in Bloomington remains safe and habitable. All of the HOME rental units are inspected under the City's Property Maintenance Code. This is in accordance with the all HOME rules.

F. Leveraging Resources

There are several other resources that will be used in the community to address the need for affordable housing both for renters and homeowners and economic development activities these activities help eliminate barriers to affordable housing and they include:

1) Industrial Incentive Loan Program – This program utilizes non-federal public funds from the City of Bloomington's General Fund. The Industrial Incentive Loan program was set up to attract and maintain the local economy of the city. Established as a revolving loan fund, monies can be used for construction, business expansion, infrastructure improvements or to buy, build, or renovate a building for childcare use of a business for its employees or the general public. One of the recipients of funding under this program was Monroe County United Ministries (MCUM) to expand their current day care facility. MCUM, which also receives CDBG social service funding for its day care facility, provides childcare services for low/moderate income families on a sliding fee scale.

2) Tax Abatement Program – Although not a funding source, the City of Bloomington's tax abatement program is another local tool which is utilized to promote affordable housing. By offering a 6 or 10 year abatement on real estate taxes for a housing development, the overall development cost are reduced, thereby making the units sell or rent at a more "affordable" price range.

3) Affordable Housing Sewer Connection Fee Waiver Programs – The City also operates through the Housing and Neighborhood Development Department an affordable housing sewer connection waiver program. Any housing construction project, which is determined by the HAND Department to be "affordable," qualifies for the program. The Utility Sewer Connection Fee Waiver program provides a fee waiver for the hook-on charges to the City's wastewater system. The fee permit program can be utilized by an individual seeking to build new, or by a developer. Four single-family

home constructions took advantage of this program, saving \$4,000 in wastewater hook-on connection fees.

4) Low Income Housing Tax Credit Program – Although not a local incentive, the Low-Income Housing Tax Credit program has been an instrumental tool in the development of low income housing within the community. Over the past two years, 240 rental housing units have been added to the Bloomington community. Another tax credit project within the community is Evergreen Place. This senior citizen development will provide 37 units of efficiencies, one and two bedroom units. Construction funding is currently being secured by the organization in order to start the project.

5) Housing Trust Fund – The Housing Trust Fund is a revolving loan fund, which provides financing for the creation and preservation of affordable housing for the low-income population of the community. The Bloomington City Council with \$500,000 of County Option Income Tax (COIT) money established the Housing Trust Fund in December 1995. Funds can be used to rehab or construct affordable housing within the community. At least half of the available funding must be used for housing, which will remain permanently affordable. The Housing and Neighborhood Development Department is responsible for providing administrative support to the Housing Trust Fund Board. To date, the Board has awarded 100% of all available money for loans with a minimum of 10 years of affordability. This year the board also awarded a grant for down payment and closing costs.

6) City Council Social Service Grants - Each year the Bloomington City Council allocates \$110,000 in grant funds. These funds provide one time funding of projects for local social service agencies. Funds have been provided in the past to allow agencies to purchase equipment, land acquisition, facility rehabilitation, and program expansion. Since the program began in 1993, the City Council has distributed over \$800,000.

7) HUD SuperNOFA Grant - Under the City's Continuum of Care two grants were received to provide assistance to two special needs housing. Amethysts House received funding for the women in transition program and the Center for Behavioral Health for Shelter Plus Care.

8) HUD Housing Counseling Grant – The City receives through the HUD SuperNOFA grant, funds to administer a housing counseling program. This past year enough funding was received to hire a part-time housing counselor to assist the current housing counselor. The department assists over 150 households annually with default/delinquency counseling. Other counseling services include pre and post homeownership, reverse equity mortgage, and credit counseling.

G. Citizen Comments

Citizen comments on the use of CDBG funds are solicited by way of a 22-member citizens group. The citizens group known as the Citizens Advisory Committee (CAC), which includes the Community and Family Resources Commission (CFRC), makes recommendations to the City's Redevelopment Commission for allocation of the City of Bloomington's annual CDBG funds.

Each autumn, the CAC and CFRC begin meeting together to plan for the CDBG allocation process for the coming fiscal year. The groups divide into two sub-committees to review applications for both social service agency funding and physical improvement funding. Over the next several months this citizen group volunteers many hours which are devoted to reviewing individual applications, visiting sites, meeting with agency staff, ranking requests, and

preparing funding recommendations. Two Public Hearings are held in January for applicants' presentations. In February, members attend the Redevelopment Commission Public Hearing for presentation of the citizen group's funding recommendations and also attend two Public Hearings held by the Bloomington City Council in March when the final allocation decision is approved.

In addition to input received from the CAC and the CFRC, legal advertisements are placed in the local newspaper informing the general public about the meeting taking place on the CDBG process and allowing public comment.

As required, this CAPER was advertised in the local news media of its availability through the Housing and Neighborhood Development Department, the local public library and on the City's website for public comment for a 15-day period. No comments were received.

H. Self-Evaluation

The City of Bloomington's performance for program year 2002 is substantially in line with the goals set forth in its Consolidated and Action Plans. The first Community Land Trust was developed in response to two of the most pressing needs identified in the Consolidated Plan, that of the scarcity of buildable land and the lack of affordable homes for first time, low income home buyers. The development of a second land trust development called Winterwood is close to completion. Winterwood will also be marketed to first time, low-income homebuyers and is adjacent to the original land trust on Rockport Road. We are currently negotiating with Housing Solutions to start a third phase of the land trust which will add another 4-8 affordable housing units

The rehabilitation of existing housing stock has continued to be a success for Bloomington. The Emergency Home Repair Program, the Home Modification for Accessible Living Program, and the department's owner-occupied Rehabilitation Program have all proved to be successful to their respective populations. The department also has a rehabilitation program to help with properties that required exterior maintenance only. The Housing Exterior Loan Program which allows assistance for exterior improvements such as siding, windows, doors, etc.

The HOME funded Tenant Based Rental Assistance (TBRA) Program has become an important tool in the City's rental housing arena. The program provides tenant assistance to clients on the Housing Authority's waiting list for Section 8 vouchers and certificates. Once a certificate or voucher becomes available, the client is switched and the next client on the waiting list is provided TBRA assistance. A second TBRA program in partnership with the Community Action Program has been funded.

Providing assistance to the local service providers by allocating the maximum 15% allowable under the CDBG program has always been a priority for the City. During the program year, thirteen different social service agencies were provided funding for programs and activities which provide health care, housing assistance, self-sufficiency, food and shelter, as well as prevention programs.

The HOME program has also been very instrumental in increasing the amount of affordable housing for low/moderate income residents within the community. The department's program provides no interest-deferred loans, which are forgivable, for developer's who build or rehabilitate existing housing units.

In 1998, the department with technical assistance from HUD worked with a housing consultant to develop a strategy for the use of its CDBG and HOME dollars in the area of affordable housing. The purpose of the housing strategy is to provide a framework for the expenditure of funds over the next five years' Consolidated Planning process in the area of housing. The strategy establishes policy priorities for making investments in affordable housing and neighborhood development in Bloomington and creates a coordinated delivery system for using the technical and financial resources – including HOME and CDBG funds – to meet the needs of low and moderate income residents.

The Homebuyer's Club is the second initiative listed in the Housing Strategy that the department has implemented the first being the Purchase/Rehabilitation Program. The Homebuyer's Club is a seven-week class for potential homebuyers. Budgeting, mortgage financing, and how to select your first home are some of the issues covered in the classes which also include home tours. The club was designed for homebuyers 18 to 24 months away from homeownership due to possible credit or financial issues that need to be addressed. Follow-up is provided.

This year the department funded \$297,000 to construct new rental housing. 11 fully handicapped accessible housing units were constructed. This was a huge success.

The Homeownership Purchase/Rehabilitation Program, funded with HOME, provides rehabilitation assistance to homebuyers who purchase existing older homes, which may have code violations and need upgrades. The program also addresses the obstacle that first-time, low to moderate-income homebuyers face of having funds for down payment and closing costs by paying some or all of these costs. Lead implementation has caused the department to re-evaluate this program.

The implementation of the HUD lead rules these past few years has affected rehabilitation and down payment and closing cost (DP/CC) programs. Bloomington has an older housing stock which is affected by the regulation. Conducting the risk assessment adds delays to the completion of the bid documents, coupled with limited lead trained contractors, supervisors, and workers to complete the jobs. Some jobs cannot be completed due to all available contractors working on other lead jobs. In relation to the DP/CC program, sellers are reluctant to allow the department to complete visual assessments since any peeling or flaking paint triggers a risk assessment which may detect lead paint.

2. CDBG ENTITLEMENT FUNDS NARRATIVE STATEMENT

A. Assessment of the use of CDBG Funds During the Program Year

Money for the past CDBG year was used to fund a variety of eligible programs and activities. The City of Bloomington each year dedicates the maximum fifteen percent allowable to fund public service activities. During this funding period, thirteen social service agencies received funding to provide services in three broad areas: emergency services and basic needs, health care, and self-sufficiency and prevention programs. The types of activities/programs included three agencies, which provide emergency or transitional housing for families, women who have experienced domestic violence and their children, or men and women recovering from substance abuse problems. Funding was also provided to two agencies, which provide food for the needy, Community Kitchen and the Food Bank. The Community Kitchen provides free hot meals for needy residents. The Hoosier Hills Food Bank collects, stores, and distributes donated food to non-profit organizations which feed the needy. In the area of health care, funding to the Community Health Access Program provides access to subsidized medical care. Middle Way House's Self-Sufficiency Program provided assisting women to break the cycle of poverty by identifying and providing assistance to remove the barriers to self-sufficiency. Helping the chronic homeless through prevention is provided by Shalom Center program. This program provides job readiness and life skills training. In addition, funding was provided to Monroe County United Ministries to subsidize childcare for low-income families. Rhino's All Ages Music Club and Boys and Girls Club Satellite at Crestmont Public Housing was funded to provide recreational and social atmosphere for youths.

The rehabilitation of the existing housing stock remains a top priority of the department. The department offers two housing rehabilitation programs for owner-occupied homeowners. One is in the form of a deferred loan, the other a direct loan. For very low-income homeowners the entire rehabilitation loan is deferred and paid back when the home is no longer the principal residence of the homeowner. The loan is repaid at no interest. The direct loan program requires the eligible homeowner to make monthly payments on a no interest loan. This repayment plan is based on an amortization of the loan over fifteen years. Both programs provide funding up to \$38,500 to assist eligible homeowners in rehabilitation of their homes as defined under the program provisions. In addition to a homeowner's "wish list", other provisional program items are: energy effectiveness/efficiency, health and safety items, housing code issues, accessibility and adaptability. These items are considered to provide the greatest opportunity for an effective rehabilitation given the budget available to the homeowner. During 2002, the department received and approved one participant in the owner-occupied rehabilitation programs.

In 2002 the Bloomington Housing Trust Fund loaned \$202,750 to Bloomington Restorations to rehabilitate several homes on the Near West Side that will be sold to low income families.

The HAND Department also provides other types of assistance for housing rehabilitation utilizing CDBG funding. An emergency home repair (EHR) program which is administered by the department and a home modification for accessible living (HMAL) program for the disabled, through a partnership with an area social service agency.

The EHR program, which started in 1990, provides a grant of up to \$7,500 to income eligible homeowners for program defined emergency repairs to their home. Nineteen households received assistance under this program this past funding year. The HMAL program began in 1991 with Abilities Unlimited and provides a grant up to \$7,500 to provide home modification for income eligible homeowners that need their home to be modified for accessibility for a disability. The program includes an evaluation, by Abilities Unlimited, of the

needed modifications and the expertise and supervision to complete those modifications is provided by the department. Fifteen households received assistance this past funding year.

Other activities undertaken during the past year included construction and repair of 4,600 feet of curbs and sidewalk and designing three projects for future construction pedestrian walkways.

Three public facilities projects for not-for-profit agencies were completed this reporting period. One project assisted a CHDO by making their facility more accessible to persons with disabilities. Another project assisted an agency that provides child daycare and emergency services by replacing exterior doors to comply with fire codes and state health department regulations. The local public housing authority expended funds for smoke detectors and GFCIs.

B. Changes to Program Objectives

Although the program objectives for the use of CDBG funds as outlined in the City's Consolidated and Action Plans were not been changed during the past year, the annual action plan was amended to include a new CDBG project. This project includes the installation of some necessary infrastructure improvements so that the city can develop four vacant lots into housing opportunities for income eligible households. This project will start during PY 2003.

C. Assessment Of Planned Actions Described in the Action Plan

(1) As an entitlement city, Bloomington has historically relied on two major fiscal resources to meet the goals expressed in its Action Plan. These are the Community Development Block Grant Program and the HOME Program. CDBG funds have anchored the development of a comprehensive network of public services and housing programs within the city's targeted community. Several sub-grantees were funded for both Physical Improvements projects and program support, thereby expanding their capacity. During the past year Bloomington Restoration, Inc. remodeled their facility and Monroe County United Ministries rehabilitated their facility.

The Bloomington Housing Trust Fund continued as an alternate funding source for affordable housing development. The fund has provided assistance to Bloomington Restorations, Inc. and Housing Solutions, two not-for-profit affordable housing developers within the community. Funds to Bloomington Restorations have been used to three houses on the near West Side.

(2) The department continues to work closely with an organization of housing providers, called the Housing Network, which shares information and fosters cooperation among its members. The Housing Network meets monthly and is attended by staff from the Housing and Neighborhood Department.

(3) All activities undertaken by the department or its subrecipients during the past year were in relation to its Consolidated and Action Plans.

D. Use of Funds for Activities not Addressing the National Objectives

All funds expended under the CDBG program were used for activities and programs which addressed the National Objectives.

E. Projects Undertaken Subject to the Uniform Relocation Act

No displacement issues arose during the program year.

F. Economic Development Activities

No Economic Development activities were undertaken by the grantee during the program year.

G. Program Income

The department realized program income in 2002 from the repayment of loans under its CDBG owner-occupied rehab program in the amount of \$42,324.

H. Rehabilitation Units Completed

The Department operates three rehabilitation programs to income eligible households within the community, the Owner Occupied Rehabilitation Program, the Emergency Home Repair Program and the Home Modification for Accessible Living (HMAL) Program. One owner-occupied single family home was rehabbed during this fiscal year, totaling \$45,450. Nineteen households received emergency rehab assistance from the department's emergency Home Repair Program using CDBG funds, for a total \$53,682 expended through the fiscal year. The Home Modification for Accessible Living Program provides housing assistance to the disabled by making modifications to the home to improve access. Under this program, fourteen households received assistance resulting in expenditures totaling \$32,715 under this program.

3. HOME FUNDS NARRATIVE STATEMENT

A. Assessment of the use of HOME Funds During the Program Year

The City of Bloomington Consolidated Plan identified homeowner and rental rehabilitation, public housing, new construction, tenant rental assistance and special needs housing as priorities for assistance with federal funds.

Most of the programs identified in the Consolidated Plan are undertaken using CDBG funding. However, several housing programs are also administered using HOME dollars as well. HOME funding is primarily divided into six broad categories: home owner rehabilitation, purchase/rehab, rental rehabilitation, multi-family and single-family new construction, CHDO set-aside, and Tenant Based Rental Assistance. These programs can help reduce poverty.

The Owner-Occupied Rehabilitation Program is funded utilizing both CDBG and HOME funds. In order to provide consistency with the program, requirements for participation are the same whether funded from CDBG or HOME. This year we eliminated the requirement that a home owner had live in their house for at least three years to qualify for assistance. We decided that we could better serve our clients if we moved to a qualifier based on the loan to value ratio on their house. This has allowed us to serve more clients and still have some assurances in the client's financial stability. Clients may receive up to \$38,500 in rehabilitation assistance. Two owner-occupied rehabs were completed using HOME funds.

The Homeownership Purchase/Rehabilitation Program provides rehabilitation assistance to homebuyers who purchase existing older homes which may have code violations and need upgrades. In addition to rehab assistance, down payment and closing cost assistance is available also. In 2002, five first time homebuyers received assistance from the program totaling \$121,331.

The Rental Rehab Program provides a fifty/fifty match of funds with the property owner. In exchange for the funding, the owner agrees to provide rents at required program levels for a specified period of time. The program is designed to allow the owner to repay the entire amount of the City's funding after the affordability requirements or opt to duplicate the affordability period and have the funding pro-rated and forgiven over the duplicated time period. To date every participant in the rental program has chosen this option. Two existing rental units were rehabbed with a subsidy of \$27,858.

The Multi-Family and Single-Family New Construction Program had projects in both rental new construction and first time homebuyer new construction. The department partnered with a for-profit developer to build eleven accessible units. This project was funded with \$297,000 and will carry the required 20 year affordability period. The department also partnered with another for-profit developer to build a new single family residence on a department owned lot which was sold to an income eligible household. The department is looking forward to repeat this model of constructing appropriately designed houses on city owned in-fill lots in PY 2003.

With our local CHDOs, three projects were completed which resulted in three income eligible households moving into historically rehabbed homes. We have also funded five more CDHO projects which will be completed in PY 2003. Only one of these projects recorded any expenditures during PY 2002. These projects include four historic rehabs and one appropriately designed new construction in-fill.

Since 1992, the City has operated a Tenant Based Rental Assistance (TBRA) Program, which is operated through the local public housing authority. The program provides assistance to families on the Section 8 waiting list. Once Section 8 assistance is available, the families are transferred off TBRA and assistance is provided to the next family on the waiting list. The

program has been successful in providing rental assistance to over thirty families during the course of the program, with fourteen families receiving assistance during the past program year. A second TBRA Program through the local Community Action Program was implemented in the summer of 2002.

B. Changes to Program Objectives

The program objectives for the use of HOME funds as outlined in the City's Consolidated and Action Plans have not been changed.

C. Use of Funds for Activities not Addressing the National Objectives

All funds expended under the HOME program were used for activities and programs which addressed the National Objectives.

D. Projects Undertaken Subject to the Uniform Relocation Act

No displacement issues arose during the program year.

E. On-Site Inspection

All rental property (with the exception of property owned by the local university) located within the City of Bloomington corporate limits must be registered with and inspected by the Neighborhood Development Division of the Housing and Neighborhood Development Department. The Rental Occupancy Permit Program helps ensure that rental property in Bloomington is safe and habitable for city residents. The property is inspected by the staff to make sure that the property is in compliance with the City's Property Maintenance Code. If the property is not in compliance, the owner has up to sixty-days to complete interior repairs and up to one year for most exterior items. Once the property is reinspected to ensure that all repairs are completed, a Rental Occupancy Permit valid for either a three, four, or five year period is issued. Staff also investigates rental complaints for uncorrected violations of the Property Maintenance Code that occur between permit inspections.

In addition, any landlord can appeal a staff decision to the Board of Housing Quality Appeals. The Board of Housing Quality Appeals (BHQA) is a seven-member board that is responsible for hearing objections to the rulings of the Neighborhood Division Office. Appeals concerning extension of time to complete repairs, modifications or special exceptions to the Property Maintenance Code, and relief from administrative decisions are made to the BHQA. Appeal forms are included with every inspection report.

The City's Property Maintenance Code is also used to inspect HOME rental units for compliance under the HOME regulations. A HOME rental unit is identified as such in the City's Rental database. This alerts the staff as to when a HOME cycle inspection is required.

F. Program Income

The department received program income in 2002 from the repayment of loans under its Owner-occupied Rehab Program in the amount of \$30,940.

4. DEPARTMENT WIDE OBJECTIVES

C. Assessment of Affirmative Marketing Actions

The City of Bloomington is committed to non-discrimination and equal housing opportunity and makes every effort to inform investors and owners who receive rental rehab or new construction funding about the affirmative marketing requirement of the HOME Program. Investor/Owners are required to use the Equal Housing Opportunity logo and slogan in advertisements and to post a sign on the property being renovated or built saying they "Do Business in Accordance with the Federal Fair Housing Law." Owners of vacant units are encouraged to place flyers in local social service agencies to reach lower income persons and to notify the Bloomington Housing Authority of vacant units so that the Housing Authority staff can inform low income person on their waiting list. Other special outreach methods suggested to owners include notifying local minority groups such as the NAACP and local minority churches.

Marketing outreach for department administered programs also continues to be assessed by the department. The most successful techniques continue to be "word-of-mouth," and the visibility of a project within the community. The department advertises on the local community access television channel to increase visibility of its programs. Program information to the community is also provided by advertisements on the city utility billing. Both of these additions to our marketing efforts are fairly recent and early indications show they are providing referrals. A direct mail campaign was also used to attract participants to the department's housing seminars, concentrating on areas with higher minority populations.

In 2002, the City of Bloomington Human Rights Attorney, Barbara McKinney gave a presentation to the Monroe County Apartment Association on the Fair Housing Law.

D. Assessment of Outreach to Women and Minority Owned Businesses

Due to our population structure and/or geographic location, minority business opportunities are very limited. The department has not been successful in enticing MBE/WBE businesses from outside our area to bid on local contracts due to location, project size and contract dollar amount. We'll continue to place advertisements within the community to publicize the opportunities available to minority businesses. We also continue to require documentation for outreach attempts through our contract bid documents to area contractors in the hope to increase participation.

5. PUBLIC PARTICIPATION REQUIREMENTS

The City of Bloomington is an Entitlement city for both CDBG and HOME funds.

CDBG

In the program year 2002, the City received \$1,086,000 in CDBG funds and received \$42,324 in CDBG program income. In November of 2002, after the City advertised the availability of CDBG funds, various organizations submitted applications for the use of these funds. The city then held a number of public hearings, culminating with the City Council allocating all the funds (with the exception of program income) to various projects and programs.

Funds on hand from prior years' grants included \$1,179,588.36 for a total available of \$2,307,912.54. Amount disbursed during the program year was \$834,769.28 with an unexpended balance remaining as of May 31, 2003 of \$1,473,143.26. One hundred percent (100%) of the funds expended were for low/moderate benefit. 13.91% was used for social service funding and 18.26% for administration.

The geographic distribution of public services funding is primarily concentrated on the westside of Bloomington. Social service agency offices are located in the south, west and northwest parts of the city, although services are offered to any income eligible city resident. The geographic distribution of physical improvement projects included two on the northwest side and one in the north side of Bloomington. A geographic distribution of housing projects include: Emergency Home Repair (EHR) served 19 households (north 5, south 6 and west 8); Home Modifications for Accessible Living (HMAL) served 15 households (north 3, south 6 and west 6); and, Owner-Occupied Rehabs assisted 1 household (west). The curb and sidewalk program installed 4,600 linear feet of curbs and sidewalks (includes south, west and north).

HOME

In the program year 2002, the City received \$692,000 in HOME funds with \$18,519 in program income; \$681,730 was dispersed during the program year leaving a fund balance of \$1,064,121 in HOME funds. The Tenant Based Rental Assistance (TBRA) program subsidized fourteen households during the 2002 program year (north 4, south 4 and west 6). Two new rental housing unit was constructed on the westside of Bloomington. Five new first time homebuyer received downpayment and closing cost assistance in addition to rehab assistance to purchase a home (northwest 1; south 3 and west 1). Two existing homeowners received rehabilitation assistance (south 1 and west 1).